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Programme budget for the biennium 2006-2007

United Nations common system

Administrative and financial implications of the decisions and recommendations contained in the reports of the International Civil Service Commission for 2005 and 2006

Statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly*

Summary

The present statement, submitted pursuant to rule 153 of the rules of procedure of the General Assembly, details the administrative and financial implications of the decisions and recommendations of the International Civil Service Commission on the common system, in particular their implications for the programme budget of the United Nations for the biennium 2006-2007. The recommendations and decisions of the Commission giving rise to requirements under the regular budget for the current biennium will be taken into consideration in the preparation of the first performance report for the biennium 2006-2007.

* The present statement of implications could be produced only after the receipt of the report of the International Civil Service Commission for 2006.

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I. Introduction

1. The annual reports of the International Civil Service Commission for 2005[1] and 2006[2] contain specific decisions and recommendations with financial implications for the programme budget for the biennium 2006-2007 related to the following issues:

(a) Conditions of service of staff in the Professional and higher categories:

(i) Base/floor salary scale and staff assessment scale;[3]

(ii) Post adjustment matters;[4]

(b) Conditions of service applicable to both categories of staff:

(i) Education grant: review of the level;[5]

(ii) Hazard pay;[6]

(c) Conditions of service of staff in the General Service and related categories: survey of best prevailing conditions of employment in New York.[7] The report for 2005 (paras. 256 and 259) and the report for 2006 (paras. 159-160) of the Commission also contain decisions and recommendations involving financial implications for the United Nations system organizations, which, however, would have no financial implications for the United Nations programme budget.

II. Conditions of service of staff in the Professional and higher categories

A. Base/floor salary scale

2. The General Assembly, in section I.H of its resolution 44/198 of 21 December 1989, established a floor net salary scale for staff in the Professional and higher categories by reference to the corresponding net salary levels of officials in comparable positions serving in the base city of the comparator civil service (the federal civil service of the United States of America).

3. The cumulative movement of the United States federal civil service net salaries in Washington, D.C., the current comparator, increased by 4.57 per cent as from 1 January 2005. As a result, the comparator's reference salary (GS-13/GS-14 salary levels) was 4.57 per cent higher than the net salary of a P-4/VI in the current United Nations base/floor salary scale. In accordance with the approved procedures and past practices, this would call for an upward adjustment of 4.57 per cent in the common system salary scale for staff in the Professional and higher categories, with

[1] *Official Records of the General Assembly, Sixtieth Session, Supplement No. 30* and corrigendum (A/60/30 and Corr.1).

[2] Ibid., *Sixty-first Session, Supplement No. 30* (A/61/30).

[3] Ibid., paras. 90-95.

[4] Ibid., paras. 129-130.

[5] Ibid., paras. 59 and 62.

[6] Ibid., *Sixtieth Session, Supplement No. 30* and corrigendum (A/60/30 and Corr.1), paras. 146-147.

[7] Ibid., *Sixty-first Session, Supplement No. 30* (A/61/30), para. 165.

effect from 1 January 2007. This consolidated recommendation of 4.57 per cent includes the proposed increase recommended in the report of the Commission for 2005. The increase in the base/floor salary scale would be implemented through the standard method of consolidating post adjustment multiplier points on a no-loss/no-gain basis.

4. The annual financial implications resulting from the above-mentioned adjustment of the base/floor salary scale for the United Nations and other participating organizations of the common system have been calculated by the Commission to be $808,800, broken down as follows:

(a) For duty stations with low post adjustment that would otherwise fall below the level of the new base/floor: none;

(b) In respect of mobility/hardship allowance: none;[8]

(c) In respect of the scale of separation payments: $808,800.

5. The financial implications of the above recommendation for the United Nations programme budget for 2007 have been estimated at $355,600.

B. Matters relating to post adjustment

6. Comprehensive place-to-place surveys are conducted periodically at all duty stations by the Commission secretariat. In 2005, place-to-place surveys were conducted in Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington, D.C. In addition, a price-collection exercise, which is the basis of the post adjustment system, was carried out in New York.

7. In February 2006, the Advisory Committee on Post Adjustment Questions, at its twenty-eighth session, examined the results of the surveys and made its recommendations to the Commission for consideration. The post adjustment multipliers resulting from the surveys conducted at the above-mentioned locations were calculated, with effect as from 1 April 2006, based on the exchange rate applicable at those locations at that time.

8. Having examined the proposals of the Advisory Committee on Post Adjustment Questions, the Commission decided to approve the results of the 2005 place-to-place surveys for the above-mentioned duty stations and to take them into account in determining the respective post adjustment classifications, with effect from 1 April 2006. The estimated financial implications based on the implementation of the survey results for the common system, effective 1 April 2006, amount to $19,000,000 per year.

9. The financial implication of the above recommendation for the United Nations programme budget has been estimated at $3,096,000 for the biennium 2006-2007.

[8] As the new mobility and hardship scheme would be de-linked from the base/floor salary scale, should the General Assembly approve the new arrangements, this item will no longer be included in future calculations. If the mobility and hardship allowance were not de-linked in January 2006, the financial implications for the common system would be $2.38 million for 2006 (see para. 107 of the Commission's report for 2005).

III. Conditions of service applicable to both categories of staff

A. Review of the level of the education grant

10. Based on the methodology approved by the General Assembly in its resolution 52/216, section III.A, the recommendations to the Assembly decided on by the Commission are contained in paragraphs 62 and 63 of its report for 2006.

11. The annual financial implication of the Commission's recommendations for the organizations of the common system has been estimated at $2,200,000.

12. The annual financial implication of the recommendation for the United Nations programme budget for the biennium 2006-2007 has been estimated at $830,500.

B. Hazard pay

13. On the basis of its 2005 review of the level of hazard pay for both categories of staff, the Commission decided to increase the level of hazard pay granted to internationally recruited staff from $1,000 to $1,300, effective 1 January 2006. The Commission also decided that the current level of hazard pay for locally recruited staff (25 per cent of the midpoint of the local salary scale for General Service staff) should remain unchanged. The Commission also reiterated its commitment to the principle of hazard pay and expressed its appreciation for the dedication and commitment of all those staff working in hazardous conditions.

14. The total annual financial implications of that decision for the United Nations and other participating organizations of the common system have been estimated by the Commission at $17,300,000 on the basis of figures for July 2005.

15. Over the last four years the Organization has experienced a significant expansion in the number and scope of its special political missions, particularly those deployed in high-risk areas. Accordingly, in estimating the implications of the proposed increase in the level of hazard pay granted to international staff, the Secretariat utilized its most recent statistical information on the number of staff deployed in the field in the context of special political missions. At present, about 923 posts for internationally recruited staff have been utilized in special political missions at duty stations classified as hazard-pay duty stations. On the basis of those statistics, the financial implications for the United Nations programme budget for the biennium 2006-2007 have been estimated at $3,322,800, assuming that the revised level would become effective 1 January 2007.

C. Common scale of staff assessment

16. The examination undertaken by the Commission during its sixty-second session of the changes made in taxes at the eight headquarters duty stations indicated minimal increases or decreases in the average taxes at the relevant income levels between 2003 and 2005.

17. The Commission decided to report to the General Assembly that the current common scale of staff assessment used in determining the pensionable remuneration levels of the Professional and higher categories and the General Service and related categories should continue to apply. The Commission also indicated its intent to review the scale every five years or at the time of the next comprehensive review of pensionable remuneration, whichever comes first.

IV. Conditions of service of staff in the General Service and related categories: survey of the best prevailing conditions of employment in New York

18. The General Assembly, in section II, paragraph 2, of its resolution 52/216 of 22 December 1997, endorsed the recommendations of the Commission on refinements and modifications to the methodologies used in conducting surveys of best prevailing conditions of employment at Headquarters and non-headquarters duty stations.

19. In November 2005, the Commission conducted surveys of the best prevailing conditions of employment for staff in the General Service and related categories in New York. In accordance with the Commission's decisions, no separate surveys were conducted in respect of the language teacher and public information assistant categories. Instead, the percentage resulting from the General Service survey was applied to adjust the salary scales of those two categories. The Commission also decided to discontinue, for future rounds, separate surveys of the Security Service and the Trades and Crafts categories and to apply to them the same salary adjustment procedure as the one applicable to General Service staff, language teachers and public information assistants. For the present exercise, separate survey results for the Security Service category were used, while the salaries of the Trades and Crafts category were adjusted by the same percentage as that established for the General Service category.

20. It should be noted that an interim salary adjustment of 3.75 per cent was granted to the General Service and related categories in May 2005 as an exceptional measure in view of the delayed start of the data-collection exercise.

21. The recommended salary scales for the General Service, Trades and Crafts, language teacher and public information assistant categories are 1.74 per cent higher than the current scales. The recommended salary scale for the Security Service is 3.87 per cent above the current scale.

22. The Commission also recommended revised rates for dependency allowance for those categories. The recommended levels of the allowance are lower than the current rates. The revised rates will be applicable only in respect of children, dependent spouses or secondary dependants for whom dependency allowances have become payable on or after 1 September 2006. The reduced rates of dependency allowances will result in an estimated savings of $45,000 per annum for the common system, based on the assumption that current staff retain their current dependency rates and that the reduced rates apply only to staff for whom dependency allowances have become payable on or after 1 September 2006.

23. The annual financial implications based on the approved surveys for the General Service and related categories for the common system have been estimated at $3,590,000. The financial implication for the United Nations programme budget has been estimated at $1,957,200. This amount would be taken into account in adjusting the existing inflation provisions in the programme budget in the context of the first performance report for the biennium 2006-2007.

V. Conclusions and recommendations

24. **The financial implications for the United Nations programme budget for the biennium 2006-2007 resulting from decisions and recommendations of the International Civil Service Commission are summarized below:**

	(United States dollars)
Remuneration of staff in the Professional and higher categories[a]	
Separation payments	**355 600**
Conditions of service applicable to both categories of eligible staff[b]	
Post adjustment	**3 096 000**
Education grant	**830 500**
Hazard pay, internationally recruited staff	**3 322 800**
Conditions of service of staff in the General Service and related categories: survey of best prevailing conditions of employment in New York[c]	**1 957 200**
Total	**9 562 100**

[a] See para. 5 above.
[b] See paras. 9, 12 and 15 above.
[c] See para. 23 above.

25. **Accordingly, the related requirements under the programme budget for the biennium 2006-2007 resulting from the recommendations and decisions of the Commission have been estimated to be in the order of $9,562,100, net of staff assessment. Those requirements will be taken into consideration when computing the first performance report for the biennium 2006-2007, in accordance with existing practice.**